United Nations E/CN.5/2017/2

Economic and Social Council

Distr.: General
22 November 2016

Original: English

Commission for Social Development
Fifty-fifth session
1-10 February 2017
Follow-up to the World Summit for Social Development and the twenty-fourth special session of the General Assembly

Social dimensions of the New Partnership for Africa's Development

Report of the Secretary-General

Summary

The report is submitted pursuant to Economic and Social Council resolution 2016/7 to review progress made in the social dimensions of the New Partnership for Africa's Development. Examined herein is progress in eradicating poverty, reducing hunger and inequality, enhancing food security, improving education and health outcomes, creating jobs and promoting women's empowerment and gender equality and peace, security and good governance. Also discussed is the importance of mobilizing financial resources for inclusive development. Policy recommendations for the accelerated and sustained development of Africa are provided.

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I. Introduction

1. Since its inception, the New Partnership for Africa's Development (NEPAD) has played a critical role in promoting development in Africa and the continent's integration into the world economy. It has also helped to shift the discourse on the continent from Afro-pessimism to one that recognizes the exciting and immense opportunities available there. It is on the success of NEPAD and other continental initiatives that the African political leadership seeks a prosperous, peaceful, secure, united and regionally integrated continent. The success of NEPAD and the lessons learned in its implementation are serving as a springboard for the African Union's Agenda 2063: The Africa We Want, which reflects an ambitious effort by Africans to take greater ownership of national development efforts and chart a new direction for a future that is underpinned by sustained and inclusive growth and the eradication of poverty.

2. In addition, the international community has been seized by the formulation of a new global development agenda, which culminated in the adoption of the 2030 Agenda for Sustainable Development. This global agenda reaffirms the commitment of the international community to supporting the special needs of Africa, as reflected in Agenda 2063 and the programme of action of NEPAD. The objectives of these international and regional development frameworks are complementary in their aspiration for an integrated, prosperous and peaceful Africa.

II. Progress in eradicating poverty and reducing inequality

3. Recent World Bank estimates indicate that, in Africa, the proportion of people living on less than $1.90 a day (based on 2011 purchasing power prices) in 2013 stood at 39 per cent, compared with 51 per cent in 1990.[1] The poverty rate in sub-Saharan Africa fell from 54 per cent in 1990 to 41 per cent in 2013. Owing to rapid population growth and the slow pace of poverty reduction, the number of people living in extreme poverty increased from 276 million to 389 million over this period, making sub-Saharan Africa the subregion with the largest share of poor people in the world.

4. The continent's progress in reducing poverty was driven by notable efforts towards reaching the Millennium Development Goals, supported by its strong economic growth over the past 15 years. On average, the growth of gross domestic product (GDP) more than doubled from just above 2 per cent during the 1990s to above 5 per cent between 2001 and 2014 thanks largely to a surge in international prices of natural resources and commodities.[2] Nine sub-Saharan African countries were among the fastest-growing countries in the world, with annual economic growth above 6 per cent in 2014. Unfortunately, the enclave nature of the sectors involved — extractive or export-based industry dominated by foreign capital — has not generated sufficient jobs. In addition, these sectors tend to benefit only the richest. Consequently, the high economic growth of African countries has very often

[1] See http://iresearch.worldbank.org/PovcalNet/index.htm?1.

[2] African Development Bank, Organization for Economic Cooperation and Development (OECD) and United Nations Development Programme, *African Economic Outlook 2016: Sustainable Cities and Structural Transformation* (Paris, OECD Publishing, 2016).

exacerbated inequalities and in some cases worsened poverty. Moreover, progress in reducing poverty may be affected by the slowdown in the continent's economic growth since 2014 owing to weaker global demand for commodities, which has lowered their prices.

5. The decline in the poverty rate in Africa was much slower than progress made at the global level or in other major regions that had similar levels of poverty in 1990 — Eastern Asia and the Pacific and Southern Asia. The proportion of the global population living on less than $1.90 a day fell to 10.7 per cent in 2013, from 35 per cent in 1990. Sub-Saharan Africa still has the highest concentration of extreme poverty, with 51 per cent of the world's poor living in the subregion in 2013.

6. Furthermore, for those living in poverty, the average consumption level is considerably lower in sub-Saharan Africa — only about $0.70 a day per person — than in other subregions. When this extreme depth of poverty is taken into account, not only is the poverty rate much higher in sub-Saharan Africa than is indicated by the traditional poverty rate, but also the concentration of poverty leans further towards the subcontinent. World Bank projections also show that, were incomes at the country level to rise at the same average rate observed in Africa during the 20-year period from 1994 to 2013, slightly more than a quarter of the population would still be living in extreme poverty in 2030.[3]

7. Some African countries also have the highest levels of inequality in the world. These high levels, which pertain to both inequality of outcomes and inequality of opportunities, continue to undermine efforts to reduce poverty and foster inclusive growth. Income inequality within countries, as measured by the Gini index of the distribution of income, is higher in Africa (0.43) than in the rest of the developing world (0.39).[4] The Gini indices of 30 African countries are above the median index for all developing countries. The continent's high income inequality is also seen in the great income gap between the richest and the poorest segments of its population: on average, the income of its richest 20 per cent is more than 10 times that of its poorest 20 per cent. For other developing countries, this ratio is, on average, below 9.

8. Six of the nine most unequal countries in the world are in Africa.[5] They place the continent's average income inequality level above that of the rest of the developing world. Excluding these countries leads to an average income inequality value for Africa — 0.40 — that is on a par with the average for other developing regions.

9. Besides income inequality, other dimensions of inequality remain high in Africa. Gender inequality, as measured by the gender inequality index, remains generally high in sub-Saharan Africa and, overall, this subregion has the second-

[3] World Bank, *Poverty and Shared Prosperity 2016: Taking on Inequality* (Washington, D.C., World Bank Group, 2016).

[4] Haroon Bhorat, Karmen Naidoo and Kavisha Pillay, "Growth, poverty and inequality interactions in Africa: an overview of key issues" (United Nations Development Programme, Regional Bureau for Africa, Inequality Project, 2016), Working Paper Series, vol. 1, No. 1.

[5] According to the World Bank world development indicators (distribution of income or consumption). Available from http://wdi.worldbank.org/table/2.9.

highest level after the Middle East and North Africa.[6] In addition, socioeconomic inequalities in education, health and access to decent employment remain pervasive. Some groups of the population cannot afford to pay for basic public goods and services. They also have limited access to services owing to a lack of adequate infrastructure, especially in rural and remote areas. Some of the socioeconomic disadvantages faced by these groups are due to a lack of basic education and good health knowledge and practices, legal restrictions and poor service delivery. Some groups continue to adhere to unfavourable social norms that tend to perpetuate poverty, such as those around gender roles, adolescent marriage and reproductive ideals.

10. For example, children living in poor households, whose mothers have very low education levels, or who live in rural areas, have lower educational attainment and learning outcomes and face higher risks of malnutrition and death in childhood. They also have lower chances of being enrolled in school, receiving skilled attendance at birth and immunizations and having access to safe drinking water and sanitation, all of which highlight the challenges of inequitable opportunities. In the late 2000s and early 2010s, the gap in standardized mathematics test scores between children from the poorest and the richest households was at least 20 percentage points in many countries. It even exceeded 50 percentage points in Gabon and South Africa.[3]

11. Among children whose mothers had no education, around 12 per cent died before reaching 5 years of age, compared with about 4 per cent among those whose mothers had completed secondary school.[7] In 2015, the proportion of people using an improved water source was more than 40 percentage points higher in urban than in rural areas in Angola, Burundi, Cameroon, the Congo, the Democratic Republic of the Congo, Equatorial Guinea, Madagascar and the Niger.[8] Lastly, legal restrictions in sub-Saharan Africa that prevent women from taking advantage of formal financial institutions for economic activities are the most stringent in the world and estimated to account for as much as 5 percentage points of the gender difference in labour market participation in some countries of the subregion.[6]

12. Income-related and gender-related inequalities have been shown to impede economic growth in sub-Saharan Africa, especially in low-income countries. If inequalities in sub-Saharan Africa could be reduced to the levels currently observed in a group of fast-growing emerging countries in South-Eastern Asia, the growth of the subregion's annual per capita GDP would be higher by 0.9 percentage points.[6] Unfortunately, income inequality has not, on average, changed much in the subregion during the past 15 years of high economic growth, although trends vary by country. In as many as one third of the countries for which data are available, including Ghana, Rwanda and Uganda, economic growth was accompanied by increases in income inequality from 1995 to 2011.

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[6] International Monetary Fund (IMF), *Regional Economic Outlook: Sub-Saharan Africa — Dealing with the Gathering Clouds* (Washington, D.C., 2015).

[7] Tim Heaton and others, "Social inequality and children's health in Africa: a cross-sectional study", *International Journal for Equity in Health*, vol. 15, No. 92 (June 2016).

[8] African Union and others, *MDGs to Agenda 2063/SDGs: Transition Report 2016 — Towards an Integrated and Coherent Approach to Sustainable Development in Africa* (Addis Ababa, Economic Commission for Africa, 2016).

13. By contrast, other low-income countries were able to reduce income inequality and significantly improve the living conditions of the poorest segment of their populations between the early 2000s and the early 2010s. The Gini index fell from 0.40 to 0.33 between 2001 and 2011 in Mali and from 0.39 to 0.36 between 2001 and 2012 in the United Republic of Tanzania. In those two low-income countries, the decline in income inequality was driven by faster growth in consumption accruing to the poorest households relative to consumption among the richest households.[5] As far as trends in gender equality are concerned, improvements in gender gaps in education, health outcomes and economic rights have been observed in recent years in sub-Saharan Africa. Gender inequality, however, has declined more slowly than in other areas.[6]

14. The experiences of countries that have been able to reduce both poverty and inequality, especially those that are not rich in resources, show that Africa needs to go through structural transformation to effectively reduce poverty, create employment and combat inequality. Political, economic and fiscal policies that encompass ending armed conflicts, establishing a stable macroeconomic environment, undertaking microeconomic reforms, reducing inflation, broadening the tax base and raising tax collection and diversifying the economy can boost economic growth. To lead to sustainable and inclusive growth, however, they need to be accompanied by social policies that improve human capital, harness the demographic dividend and reduce vulnerability and social exclusion. Inclusive policies include improving the coverage and quality of education and health care, increasing access to family planning, providing better infrastructure and basic services, especially in rural areas, and expanding social protection coverage,[3] paying particular attention to women, young people, older persons and persons with disabilities.

III. Progress in reducing hunger and improving food security

15. Africa has made advances in efforts to combat hunger. From 1990-1992 to 2014-2016, the continent's prevalence of undernutrition — the proportion of undernourished people — fell from 27.6 to 20 per cent.[9] While the prevalence of undernutrition in Northern Africa did not change significantly from its initial low level (less than 5 per cent), that of sub-Saharan Africa declined from 33.2 to 23.2 per cent. All subregions south of the Sahara achieved progress, except Middle Africa where the prevalence of undernutrition increased from 33.5 to 41.3 per cent and the number of undernourished people more than doubled during the same period. Western Africa made the most remarkable progress of all subregions, notwithstanding the rapid population growth and recurrent droughts in Sahelian countries. Between 1990-1992 and 2014-2016, the prevalence of undernutrition fell to 9.6 from 24.2 per cent, while the number of undernourished people fell by 13 million.

[9] Food and Agriculture Organization of the United Nations (FAO), International Fund for Agricultural Development and World Food Programme, *The State of Food Insecurity in the World 2015: Meeting the 2015 International Hunger Targets — Taking Stock of Uneven Progress* (Rome, FAO, 2015).

16. Nonetheless, Africa remains the region with the highest level of hunger and food insecurity in the world and the number of its undernourished people is on the rise. From 1990-1992 to 2014-2016, the number increased from 181.7 million to 232.5 million, with sub-Saharan Africa accounting for the great majority — 87.2 per cent — of the increase. Based on the Global Hunger Index, the state of hunger in 2015 was alarming in 6 countries — the Central African Republic, Chad, Zambia, Sierra Leone, Madagascar and the Niger — and considered to be serious in 30 more.[8]

17. The continent's population also continues to be disproportionately affected by widespread malnutrition, a major cause of poor health and educational outcomes, productivity loss and death. In 2015, 32 per cent of children under 5 years of age were stunted and 12 to 20 per cent were underweight, on average.[10] Africa has made very slow progress on child malnutrition compared with other regions. Between 2000 and 2015, child stunting rates in Africa were reduced by only one sixth, compared with more than one third in Asia and Latin America and the Caribbean. In absolute terms, the number of children under 5 years of age who are stunted rose from 50 million in 2000 to 58 million in 2015, with Western Africa accounting for half of the increase.

18. Several major challenges undermine progress towards food and nutrition security in Africa. These include extreme weather events (chronic drought and flooding) resulting from climate change, soil degradation, conflicts and political instability, rapid population growth, soaring and volatile food prices and inadequate investment in agriculture. With 65 per cent of the continent's population living in rural areas and relying on agriculture for subsistence, agriculture-led growth has been recognized by African countries and their development partners as critical to eradicating poverty and enhancing food security and nutrition. Improvements in agriculture also foster job creation and inclusive growth. To this end, the sector requires greater public investment in research and development, training, infrastructure, high-yielding crop varieties and fertilizers and better access to markets and financial services. Gains in these areas will increase the productivity and competitiveness of smallholder farmers, who produce as much as 90 per cent of the agricultural output in Africa.

19. In the Maputo Declaration on Agriculture and Food Security in Africa, adopted in 2003, Heads of State and Government of the African Union committed themselves to implementing the Comprehensive Africa Agriculture Development Programme. They also committed themselves to allocating at least 10 per cent of national budgets to agriculture and, through the Programme, to achieving an average annual agricultural growth rate of 6 per cent. In 2008, in the Declaration on Responding to the Challenges of High Food Prices and Agriculture Development, African leaders committed themselves to further scaling up investment for agricultural research and technology development and transfer.

20. Since the implementation of the Comprehensive Africa Agriculture Development Programme in 2003, notable progress has been made in the agricultural sector. Agricultural planning has improved, with 28 of 54 countries

[10] United Nations Children's Fund (UNICEF), World Health Organization (WHO) and World Bank Group, "Joint child malnutrition estimates: key findings of the 2016 edition — levels and trends in child malnutrition" (New York, UNICEF; Geneva, WHO; Washington, D.C., World Bank, 2016).

having developed national agricultural investment plans. Average public agricultural expenditure also rose by 7 per cent per year across Africa, and the profile of agriculture has been elevated at the national, regional and global levels.[11] In fact, the remarkable progress made by Western Africa in improving food security compared with other subregions is associated with greater efforts to implement the Programme and to invest extensively in regional and national programmes and projects for agricultural development.[12]

21. Those improvements notwithstanding, most African countries have been unable to reach the Programme's agricultural investment and productivity targets during the first decade. For example, only 13 have met the target of allocating a minimum of 10 per cent of public expenditure to the agricultural sector in any year, with only 7 of them meeting the target in most years.[13] Few countries have achieved the target of an average annual agricultural growth rate of 6 per cent. Consequently, the potential for sustainable agricultural development to have significant effects on poverty reduction, better nutrition and health that has been observed in other regions, such as Asia, has in general yet to be seen in Africa. Exceptions include Ethiopia, where agricultural policies funded by a relatively high share of the government budget for agriculture (13.5 per cent in 2013) had positive, strong effects on consumption and poverty reduction, especially in rural areas.[14]

22. In 2014, African leaders recommitted themselves to the principles and values of the Comprehensive Africa Agriculture Development Programme and adopted three declarations, including the Malabo Declaration on Accelerated Agricultural Growth and Transformation for Shared Prosperity and Improved Livelihoods. These declarations reconfirmed that agriculture should remain a high priority on the development agenda of the continent and that an agriculture-led growth was critical for socioeconomic inclusion and poverty and hunger eradication. African leaders resolved to maintain their earlier commitments to allocate at least 10 per cent of public expenditure to agriculture, end hunger in Africa by 2025 and, to that end, accelerate agricultural growth by at least doubling current agricultural productivity while ensuring that agricultural growth and the transformation process were inclusive and contributed at least 50 per cent to the overall poverty reduction target. The Malabo Declaration also contained specific commitments to improving nutritional status, in particular reducing child stunting to 10 per cent and

[11] NEPAD Business Foundation, *The Official NEPAD Yearbook 2015* (Johannesburg, Media and Communications, 2016).

[12] FAO, *Regional Overview of Food Security in Africa: African Food Security Prospects Brighter than Ever* (Accra, 2015).

[13] Samuel Benin and Bingxin Yu, *Complying with the Maputo Declaration Target: Trends in Public Agricultural Expenditures and Implications for Pursuit of Optimal Allocation of Public Agricultural Spending*, Regional Strategic Analysis and Knowledge Support Systems Annual Trends and Outlook Report 2012 (Washington, D.C., International Food Policy Research Institute, 2013).

[14] Emerta A. Aragie, Jean Balié and Scott McDonald, "Investment in agricultural productivity versus rural commercialization: which way to rapid poverty reduction in Ethiopia?", paper presented at the technical workshop on rural transformation, agricultural and food system transition, FAO headquarters, Rome, September 2016.

underweight to 5 per cent by 2025 and accelerating progress in preventing child and maternal deaths.[15]

23. To lead to successful socioeconomic development, it is imperative that the continent's structural transformation be driven by productivity gains in agriculture. This includes modernizing smallholder family farming to increase productivity and enhancing access to markets, credit and agricultural value chains. Trade and regional integration should also be enhanced, given the current huge commercial potential of the continent's domestic food market driven by high population growth, urbanization and rising income levels. At the national level, political commitment, improved governance, public-private partnerships and an enabling environment are necessary to enhance the contribution of agriculture to broad-based growth, poverty eradication and the reduction of hunger.

IV. Progress in productive employment and decent work creation

24. The remarkable economic growth seen in Africa over the past 15 years has been driven by capital-intensive sectors and exports of primary commodities. Consequently, unemployment, underemployment and informality have remained its key challenges, the swift growth notwithstanding. The region has the youngest population in the world, with more than 226 million people between 15 and 24 years of age.[16] That some 10 million young people enter the workforce every year calls for a sustained and equitable economic growth that can generate sufficient jobs to reduce unemployment, in particular youth unemployment.[17] Job-rich growth had been proved to be a pathway to sustaining a reduction in both poverty and inequality.

25. In sub-Saharan Africa, unemployment slightly increased to 7.4 per cent in 2015 from 7.3 per cent in 2014. This rate rose to 8.5 from 8.4 per cent among women and to 6.4 from 6.2 per cent among men over the same period. Meanwhile, the labour force participation rate stood at 70.9 per cent in 2014, the highest in the world. Nevertheless, levels of vulnerable employment remain pervasive in sub-Saharan Africa, accounting for almost 70 per cent of the total employed population. In Northern Africa, more than a third of workers are in vulnerable employment. In comparison, the global average is 46.3 per cent. In sub-Saharan Africa, the vast majority of the working population is in informal employment, with women making up the larger proportion. Informal employment mostly entails low-skilled jobs with low pay, high risks and no social protection. An estimated 34.3 per cent of the employed population in sub-Saharan Africa lives on less than $1.90 a day. Youth unemployment has also remained a critical challenge, increasing from

[15] Namukolo Covic and Sheryl L. Hendriks, eds., *Achieving a Nutrition Revolution for Africa: The Road to Healthier Diets and Optimal Nutrition*, Regional Strategic Analysis and Knowledge Support Systems Annual Trends and Outlook Report 2015 (Washington, D.C., International Food Policy Research Institute, 2016).

[16] United Nations, "Youth population trends and sustainable development", *Population Facts*, No. 2015/1, May 2015.

[17] Alliance for a Green Revolution in Africa, *Africa Agriculture Status Report 2015: Youth in Agriculture in Sub-Saharan Africa* (Nairobi, 2015).

10.9 per cent in 2014 to 11.1 per cent in 2015. There were also gender differences — 12.5 per cent among young women and 9.8 per cent among young men in 2015.[18]

26. In Northern Africa, although the unemployment rate remains the highest globally, it fell slightly from 12.5 per cent in 2014 to 12.1 per cent in 2015, indicating improved labour market conditions. Youth unemployment is also the highest in the world, standing at 30 per cent in 2015. The labour force participation rate remains chronically low, at 48.2 per cent. It is the lowest in the world, largely owing to the low participation rates among women and young people, at 22.5 and 31.9 per cent, respectively, in 2015.

27. High levels of youth unemployment remain a serious political and socioeconomic challenge, the strong growth performance of many African countries notwithstanding. Tackling this problem is therefore an urgent task for policymakers. Agenda 2063 is intended to speed up action to support young people as drivers of the continent's renaissance, with priority accorded to harnessing the demographic dividend through investment in high-quality health care, education services, access to technology, opportunities and capital and concerted strategies to combat youth unemployment and underemployment. It is also intended to raise the standards of higher education to enhance the mobility of African young people and talent throughout the continent by 2025.

28. African young people face social and economic challenges that prevent them from realizing their full potential. Countries need to create decent work opportunities for them and design policies that provide them with access to and opportunities to participate in development processes, including in the implementation of Agenda 2063 and the 2030 Agenda at the national level. Young people must also be equipped with the right skills for the job market. The growing youth bulge can be an asset only if countries are able to tap into the potential and creativity of young people and gainfully engage them. This entails designing evidence-based, youth-responsive plans and policies. Countries also need to provide adequate incentives and support entrepreneurship, including micro, small and medium-sized enterprises.

29. Given that most young people live in rural areas, agriculture can provide opportunities for youth employment, reducing migration to urban areas. The Comprehensive Africa Agriculture Development Programme is focused on youth education and employment in agriculture. Furthermore, commitments were made in the Malabo Declaration to creating job opportunities for at least 30 per cent of young people in agricultural value chains and supporting preferential entry and participation for women and young people in gainful and attractive agribusiness opportunities. In 2015, NEPAD, in partnership with the Food and Agricultural Organization of the United Nations, launched a four-year project to create decent employment opportunities for young women and men in rural areas through the development of rural enterprises in sustainable agriculture and agribusiness along strategic value chains.[19]

[18] International Labour Organization, *World Employment Social Outlook: Trends 2016* (Geneva, 2016).

[19] See www.nepad.org/content/nepad-and-fao-launch-rural-youth-project-11th-caadp-platform.

30. Transforming the agricultural sector is thus crucial to tackling the challenges of unemployment and stimulating economic growth to eradicate poverty. Countries need to invest in modernizing agriculture in order to provide young people with employment and entrepreneurial opportunities along its value chain. They need to design policies and strategies that will promote access to land, capital, education and training. Investing in education and vocational training has the potential to increase the rates of youth employment and income. Countries with large rural populations and low levels of industrialization need to focus on creating rural employment, although managing urban growth and bringing about economic diversification remain critical objectives.

31. Structural transformation and industrialization require the corresponding development of African human capital. Both the 2030 Agenda and Agenda 2063 call for a green economy, aiming to leapfrog to clean energy use and transform economies by alleviating their structural vulnerabilities. The green sector being relatively knowledge intensive, its expansion will increase the demand for skilled labour while stimulating structural transformation, productivity change and employment growth

32. Industrialization is critical for sustainable development and labour absorption. The continent's industrial sector, however, faces critical shortages of skilled labour and lacks access to affordable credit. It also has to contend with poor infrastructure and high trade and transport costs. Investment uncertainties also discourage industrial firms from growing. Furthermore, the sector is dominated by micro, small and medium-sized enterprises. There is a strong need to improve the growth prospects of these enterprises through market development training and by strengthening their linkages to large formal enterprises. This will contribute to job creation and poverty eradication efforts. Furthermore, countries need to improve the competitiveness and capability of domestic firms and upgrade skills formation in the labour force. A strong private sector and increased public-private partnerships can boost training and skills upgrading in order to better match skills to labour markets.

V. Progress in education and health care

33. NEPAD and Agenda 2063 emphasize the role of an educated, healthy and productive workforce in driving the continent's transformation. Africa has made considerable progress in the education sector. Countries have made strong political commitments, as seen in the unprecedented public investment in primary education, the design and implementation of national policy frameworks and the mobilization of civil society and the international community to expand access and improve educational outcomes. Fifteen countries have abolished school fees since 2000, allowing more children to attend primary school.[20]

34. African countries continue to expand education at all levels. There is growing recognition that investment in early childhood development better prepares children for successful primary education and beyond. According to the United Nations Educational, Scientific and Cultural Organization, around 11 million children were

[20] United Nations Educational, Scientific and Cultural Organization (UNESCO), *Education for All 2000-2015: Achievements and Challenges* (Paris, 2015).

enrolled in pre-primary education in sub-Saharan Africa in 2008, an increase of 4.6 million since 1990.[21] Furthermore, about 20 and 21.5 per cent of young children were enrolled in pre-primary programmes in 2012 and 2014, respectively.[22] Investing in good-quality pre-primary education will improve primary and higher education outcomes.

35. Primary education lays the foundation for building an educated and skilled workforce that can propel countries to prosperity. There has been steady progress in achieving primary completion in Africa, but one third of those who begin the first grade are likely not to reach the last grade of primary education.[23] The completion rate for girls has improved, mainly owing to the implementation of national action to keep them in school. Some 70 per cent of countries recorded an 80 per cent net enrolment rate in primary education in 2015, compared with 31.4 per cent in 2001.[8] The number of children not attending school has been halved and the gender gap narrowed in both the net enrolment rate and the completion rate in primary education. Retention in and quality of education remain challenges, however, and thus require a special focus.

36. Sub-Saharan Africa achieved substantial secondary education participation between 1999 and 2012. In 2012, 49 million pupils were enrolled in secondary education in Africa. Nevertheless, social inequalities in access to secondary school persist. For example, children in rural areas are much less likely to be enrolled than those in urban areas. Countries should strive to expand access to and enhance the quality of secondary education in order to better prepare pupils for higher education and equip them with basic skills for the labour market.

37. There are concerns that technical and vocational training programmes have been accorded low priority by sub-Saharan African countries. They accounted for an average of 6 per cent of total secondary enrolment in 2012. They can, however, contribute to enhancing the continent's global competitiveness, allowing employers to recruit their workforce from a pool of educated young adults. Countries therefore need to promote these programmes in order to ensure that the citizenry has skills that match the labour requirements of a continent committed to an inclusive structural transformation and industrialization agenda. Given the rapidly growing, large labour force and the dominance of the informal sector, there is a strong need to design training and capacity development programmes for young people.

38. The proportion of people with at least secondary education has also risen. Higher education enrolment increased from 2.3 million people in 2000 to 5.2 million in Africa in 2010. Nevertheless, only 6 per cent of young people in sub-Saharan Africa are enrolled in higher education institutions. A one-year increase in the average tertiary education level in sub-Saharan Africa is estimated to yield an increase of up to 12 per cent in GDP, raising the annual GDP growth by

[21] UNESCO, *The Hidden Crisis: Armed Conflict and Education* (Paris, 2011).

[22] UNESCO, *Global Education Monitoring Report 2016. Education for People and Planet: Creating Sustainable Futures for All* (Paris, 2016).

[23] Economic Commission for Africa and others, *MDG Report 2015: Lessons Learned in Implementing the MDGs — Assessing Progress in Africa toward the Millennium Development Goals* (Addis Ababa, Economic Commission for Africa, 2015).

0.39 percentage points.[24] Countries therefore need to invest to improve higher education.

39. Those gains notwithstanding, around 31 million primary school-age children and 24 million adolescents were out of school in sub-Saharan Africa in 2014.[22] Half of the children have never been enrolled or may never enrol, and most of the adolescents were living in conflict-affected areas. Countries should allocate adequate resources to meet the basic learning and skills development needs of those disadvantaged and vulnerable groups. They should design programmes that are tailored to the needs of out-of-school boys and girls in conflict areas. Countries need to remove structural barriers, design policies aimed at improving equity among disadvantaged social groups, increase public investment in early childhood education and improve and strengthen the coordination of policies among the various sectors and skills development programmes for teachers.

40. Africa has continued to make steady progress in improving access to health-care services and health outcomes. Unprecedented declines were registered in child mortality between 1990 and 2015, including in infant mortality. The under-5 mortality rate declined by more than two thirds of the 1990 levels in Ethiopia, Liberia, Malawi, Mozambique, the Niger, Uganda and the United Republic of Tanzania.[8] The pace of decline, however, has been slower in sub-Saharan Africa than elsewhere and the subregion continues to have the highest child mortality rates in the world. The main causes of death are diarrhoea, pneumonia and malaria. An increase in immunization coverage and a reduction in malaria-related deaths have contributed to the decline in child mortality.

41. Progress has also been made in improving maternal health outcomes, but many women still die during childbirth from preventable causes such as infection, hypertension and haemorrhage. Sub-Saharan Africa accounts for 88 per cent of maternal deaths globally. The proportion of births attended by skilled health personnel has increased, from 45 per cent in 1990 to 71 per cent in 2014, contributing to the reduction in maternal and child mortality. Antenatal care coverage has also improved.

42. Although it increased from 28 per cent in 1990 to 43.6 per cent in 2013, contraceptive prevalence in Africa remains among the lowest in the world. Sub-Saharan Africa had the highest adolescent birth rate in 2012. The birth rate declined by 4.5 per cent between 1990 and 2012. The subregion had a high unmet need for family planning (18 per cent) in 2013.

43. There were accelerated declines in HIV incidence and prevalence between 2001 and 2012. In 2013, the prevalence was 4.4 per cent and the incidence (number of persons newly infected with HIV per year) 0.29 per cent. Both indicators fell more swiftly over the period 2012-2013 than over the period 2001-2012. Africa is at the forefront of expanding access to antiretroviral therapy. The greatest increase occurred in sub-Saharan Africa, where the number of people receiving such therapy was very low — 100,000 — up to 2003, but reached 10.6 million (or 41 per cent of people living with HIV) in 2014.[25] Africa is also making notable progress in

[24] World Bank, *Accelerating Catch-up: Tertiary Education for Growth in Sub-Saharan Africa* (Washington, D.C., 2009).

[25] See www.who.int/gho/hiv/epidemic_response/ART_text/en/.

combating malaria, with six countries — Algeria, Botswana, Cabo Verde, the Comoros, South Africa and Swaziland — likely to rid themselves of the disease by 2020. In the WHO Africa region, malaria mortality rates declined by 66 per cent among all age groups and by 71 per cent among children under 5 years of age. Infection rates have been declining owing to the widespread use of insecticide-treated bednets, regular spraying, rapid diagnostic testing and artemisinin-based therapies.[26] Unfortunately, the continent's steady downward trends in tuberculosis incidence, prevalence and mortality since the early 2000s showed signs of reversal between 2012 and 2013.

VI. Progress in women's empowerment and gender equality

44. Africa has made remarkable progress in promoting the active participation of women in public affairs. The participation of women in the parliaments of Guinea-Bissau, Mozambique, Rwanda and Seychelles has exceeded 15 per cent. The average representation of women in 1990 was 8 per cent, increasing to 9 per cent by 2000. An average gain of 16 per cent was achieved during the period 2000-2015. Participation stood at 22 per cent in 2015.[8]

45. The participation of girls in secondary education has slowly increased, from 71 girls per 100 boys in the 1990s to 80 per cent in 2000 and 90 per cent in 2013, but Southern African countries have seen higher participation, above the African average, over the years. Tertiary-level female participation remains very low, at 68 girls per 100 boys compared with 86 per 100 in secondary education.

46. Gender inequality and violence against women are major challenges. African women face high levels of discrimination, affecting their socioeconomic rights. Southern Africa had an adult female unemployment rate of 19.1 per cent, compared with an adult male unemployment rate of 14.6 per cent, while the female youth unemployment rate stood at 44.6 per cent and the male rate at 35.4 per cent by 2013. In Northern Africa, adult male unemployment was 7.9 per cent, compared with 14.9 per cent for women; youth unemployment rates were 26 per cent for males and 46.6 per cent for females.[23] These trends partly account for the rising inequality patterns in the region. Social services that directly address women's rights, including housing, health, education, training and childcare, are just as important as and often have an even greater impact than social transfers in reducing poverty and gender inequality. The ratio of women in vulnerable employment is also higher than that of men, especially in Western, Eastern and Middle Africa.

VII. Progress in peace, security and good governance

47. NEPAD stresses that peace and security, improved governance and macroeconomic and corporate governance are critical preconditions for the continent's development. African countries have also committed themselves to pursuing good governance and combating corruption, as highlighted in Agenda 2063.

[26] WHO, *World Malaria Report 2015* (Geneva, 2015).

48. In terms of overall governance, African countries advanced the governance and democracy agenda by supporting the African Peer Review Mechanism, a voluntary self-assessment tool designed to promote more effective governance across four thematic areas: democracy and political governance, corporate governance, economic governance and management, and socioeconomic development. By 2015, 35 African countries had voluntarily acceded to the Mechanism and 18 of them had completed their self-assessments and been peer-reviewed by the Forum, composed of Heads of State and Government. Aiming to position the Mechanism as a monitoring tool for Agenda 2063, its secretariat is aligning its administrative measures and policies with those of the African Union Commission.

49. In terms of peace and security, Africa is making progress in regional coordination towards combating terrorism by setting up multi-country legal mechanisms and initiatives. For example, the Nouakchott process on the enhancement of security cooperation and the operationalization of the African Peace and Security Architecture in the Sahelo-Saharan region was launched in 2013 by 11 countries. In 2014, the Group of Five for the Sahel initiative was established by Burkina Faso, Chad, Mali, Mauritania and the Niger to better coordinate the development and security policies of its members. The Economic Community of West African States has adopted several legal instruments to foster judicial cooperation. In addition, African countries have been able to secure resources from international partners to help to address security challenges that undermine peace and security and national development efforts. For example, the European Union has committed €27.7 million to address security concerns in Mali, while the United States of America announced in 2015 that it would give $110 million per year for five years to build the capacity of African militaries to strengthen security and peace as part of the African Peacekeeping Rapid Response Partnership.[8]

50. In terms of political governance, there has been progress in conducting elections. Several African countries have seen their electoral processes become fairer and peaceful. In 2016 and 2017, 26 African countries are expected to hold presidential elections. Nevertheless, political governance remains a challenge in several countries, leading to civil unrest and violent uprisings in some. In some countries, civil society organizations are also playing an increasing role in political governance and democratic transitions.

51. NEPAD underscores that good macroeconomic governance is critical for the continent's structural transformation. It ensures that Governments have the capacity to manage public resources and to deliver high-quality public goods and services. Africa has shown progress in good economic governance through a continued commitment to improving its business environment for private sector development. The continent had the second-largest share of economies implementing at least one ease-of-doing-business regulatory reform. Nevertheless, sub-Saharan Africa remains the subregion with the most difficult business environment. Of 47 African countries surveyed, 35 reported having implemented at least one ease-of-doing-business regulatory reform between June 2013 and June 2014. Benin, Côte d'Ivoire, the Democratic Republic of the Congo, Senegal and Togo were among the 10 countries in the world that most improved their business environment through reforms.[23] Challenges in improving the business environment, however, undermine efforts to

tap into the private sector as an engine of growth and job creation for poverty eradication.

52. Furthermore, corruption and illicit financial flows continue to undermine national development efforts, including poverty eradication. Corruption tends to be particularly high in resource-rich countries with weak institutions and inadequate regulatory environments. People living in poverty, especially in urban areas, are disproportionately affected by corruption and the inefficient delivery of public goods and services. In total, 22 per cent of sub-Saharan Africans having had contact with a public service in the past year admit to having paid a bribe. Throughout the continent, poor people are twice as likely as rich people to have paid a bribe and the odds of having done so are even higher in urban areas.[27]

53. It is estimated that Africa loses more in illicit financial flows than it receives in official development assistance (ODA). Every year, more than $50 billion leaves Africa illicitly. The flows relate principally to commercial activities, tax evasion, criminal activities (money-laundering, drug trafficking, arms trafficking and trafficking in persons), bribery, corruption and abuse of office. They have a negative impact on social development through losses in government tax revenue, Governments' reduced ability to provide social services and the opportunity cost of lost savings and investment in various economic sectors. Although the main sources of illicit financial flows are from Africa, many corrupt practices often involve non-African actors. Accordingly, while African countries should take primary responsibility for curbing the flows, development partners should also play an important role in combating corruption, tax evasion, asset repatriation and money-laundering. At the global level, illicit financial flow issues should be incorporated into United Nations processes and frameworks.[28]

VIII. Mobilizing financial resources for inclusive development

54. In the 2030 Agenda and the Addis Ababa Action Agenda of the Third International Conference on Financing for Development, greater importance is placed on domestic sources of finance for inclusive development, marking a shift from a development model centred on ODA. The investment required to finance efforts to attain the Sustainable Development Goals in Africa is estimated to range between $600 billion and $1.2 trillion per year.[29] Raising those resources is dependent on sustained economic growth, improved natural resource management, improved and fair trade between Africa and the rest of the world, the leveraging of financial resources from commodity booms, rising flows of foreign direct investment, improved tax collection, efforts to tackle illicit financial flows, debt cancellation and management, and smarter use of ODA.

55. African countries have shown their resolve to mobilize domestic resources and maximize new financing, such as remittances, to fund their continental development

[27] Coralie Pring, *People and Corruption: Africa Survey 2015 — Global Corruption Barometer* (Berlin, Transparency International, 2015).

[28] According to the High-level Panel on Illicit Financial Flows from Africa. See www.uneca.org/sites/default/files/PublicationFiles/iff_main_report_26feb_en.pdf.

[29] *Economic Development in Africa Report 2016: Debt Dynamics and Development Finance in Africa* (United Nations publication, Sales No. E.16.II.D.3).

blueprint. The continent's total tax revenues rose fourfold between 2000 and 2012, from $138 billion to $527 billion.[30] Remittance flows to sub-Saharan Africa reached $35.2 billion in 2015 and are projected to increase to $36.4 billion in 2016 and $37.7 billion in 2017.[31] Those revenues could be even higher with improved tax administration, an expanded tax base and reduced costs of sending remittances to and within Africa, which are the highest in the world. If curbed, illicit financial flows, which exceed $50 billion annually, can further increase domestic resources for development. Debt-relief measures, such as the Heavily Indebted Poor Countries Initiative, for which 30 African countries are eligible, could also free up resources for higher spending on social programmes aimed at poverty reduction. Nevertheless, the external debt of several African countries has increased rapidly in recent years, growing by 10.2 per cent per year on average between 2011 and 2013, compared with 7.8 per cent per year between 2006 and 2009.[29]

56. The efforts to scale up domestic resource mobilization notwithstanding, African countries still require predictable and additional support from development partners. In that regard, it is imperative that developed countries fulfil their existing commitments relating to development assistance, in particular to least developed countries. From 2013 to 2014, net total ODA to Africa fell by 5 per cent, from $57 billion to $54 billion, and net bilateral ODA from the 28 countries of the Development Assistance Committee of the Organization for Economic Cooperation and Development fell by 3 per cent, from $30 billion to $29 billion.[32]

57. Several programmes and initiatives provide support for investing in sustainable and inclusive agricultural systems in Africa. The Grow Africa partnership, which has gained the commitment of 230 companies, a majority of which are African, has committed itself to investing $10 billion in African agriculture by 2015. From 2013 to 2015, $2.3 billion of that total commitment was provided, reaching 10 million smallholder farmers and creating 88,800 jobs over the three years. New investment commitments in 2016 totalled $500 million.[33] Such investment will help millions of people, especially those living in rural areas, to escape from poverty and hunger. Importantly, the decent jobs that they create have the potential to attract African young people to the sector.

58. Development partners have also supported the continent's efforts. Through the Tokyo International Conference on African Development process, Japan is helping to strengthen sectors that have a high potential to lead to sustainable growth in Africa. In 2013, Japan committed itself to providing Africa with up to $32 billion over the five years ending in 2017 by using private and public means, including ODA of some $14 billion. By 2015, around $21.7 billion had been disbursed, achieving almost 70 per cent of the target. In 2016, Japan announced that it would

[30] African Development Bank, "Financing Africa's development through domestic resource mobilization", 17 July 2015. Available from www.fin4dev.org/2015/07/17/financing-africas-development-through-domestic-resource-mobilization/.

[31] World Bank Group, *Migration and Remittances: Recent Developments and Outlook*, Migration and Development Brief, No. 26 (Washington, D.C., 2016).

[32] See www.oecd.org/dac/stats/documentupload/2%20Africa%20-%20Development%20Aid%20at%20a%20Glance%202016.pdf.

[33] Grow Africa, "$2.3 billion invested by Grow Africa partners between 2013 and 2015 with $500 million invested in 2015", letter of intent. Available from https://community.growafrica.com/groups/23-billion-invested-grow-africa-partners-between-2013-and-2015-500-million-invested-2015.

invest some $30 billion for the future of Africa from 2016 to 2018. Investment will be made through public-private partnership initiatives centred on developing high-quality infrastructure, building resilient health systems, ensuring food and nutrition security and laying the foundations for peace and stability. The measures will also include human resource development for 10 million people.[34]

59. African countries are also benefiting from South-South cooperation. In 2015, India approved $10.6 billion in concessional credit for the coming five years and grant assistance of $600 million. The grant includes $100 million for development and $10 million for health. It also includes 50,000 scholarships in India and will support educational institutions throughout Africa.[35] In 2015, China upgraded its relationship with Africa to a comprehensive strategic cooperative partnership, boosting its funding support to $60 billion, including $5 billion of free aid and interest-free loans and $35 billion of preferential loans and export credit on more favourable terms.[36] From 2013 to 2015, Brazil funded technical cooperation projects in 42 African countries, with agriculture accounting for 19 per cent of the total fund of $36 million. Brazil also committed $2.4 million to support Purchase from Africans for Africa, a food acquisition project, in Ethiopia, Malawi, Mozambique, the Niger and Senegal.

60. Given that the price tag for successfully implementing the continent's own development priorities is expected to be extremely high, international public finance for development cooperation remains critical. These costs will increase even further as African countries begin to realize the Sustainable Development Goals and Agenda 2063.

IX. Conclusion and recommendations

61. To further promote inclusive social and economic progress in Africa, the Commission may wish to consider the following recommendations:

(a) **To achieve inclusive social and economic development, African countries should work to develop a coherent strategy for the effective and coordinated implementation of the African Union's Agenda 2063 and the 2030 Agenda for Sustainable Development, including the development of integrated national policy frameworks and implementation strategies that leave no one behind, in particular women, young people, older persons and persons with disabilities;**

(b) **African countries need to increase social investment in education and skills development, with particular attention to young people, in order to tackle poverty and inequality through full employment and decent work. This will**

[34] Japan, Cabinet Office, "Focusing on public-private investments", Japan in Africa, vol. 4 (September 2016). Available from www.japan.go.jp/ticad/Japan_in_Africa4.html.

[35] India-Africa Forum Summit, *India-Africa Forum Summit III: New Hopes, New Horizons*, New Delhi, October 2015. Available from http://mea.gov.in/india-africa-forum-summit-2015/index.html#.

[36] Forum on China-Africa Cooperation, "Xi announces 10 major China-Africa cooperation plans for coming 3 years", 8 December 2015. Available from www.focac.org/eng/ltda/dwjbzjjhys_1/t1322068.htm.

also raise the productive capacity of their populations to capitalize on the opportunities provided by the demographic change;

(c) To eradicate poverty, overcome hunger and food insecurity and ensure inclusive and sustainable social and economic development, African countries should continue to accord priority to investment in agriculture and to promote structural transformation;

(d) African countries should continue to accord priority to gender equality, women's empowerment and women's participation in political and productive activities;

(e) For the realization of social and people-centred development, African countries need to strengthen and develop institutions for transparent and accountable governance and administration in all sectors of society and allow effective participation by civil society, including non-governmental and community-based organizations, and the private sector;

(f) The international community, including the entities of the United Nations system, should continue to promote, support and facilitate the implementation of the African development priorities, as set out in Agenda 2063 and the 2030 Agenda.